

Neffco Mining and Manufacturing  
Larry Neff - Managing Partner  
3477 Big Cottonwood Canyon Road  
Salt Lake City, Utah 84121

September 27, 2006

Paul Baker  
State of Utah  
Division of Oil, Gas, and Mining

RECEIVED

SEP 27 2006

DIV. OF OIL, GAS & MINING

Paul:

Thank you for expediting the permitting of this project. We are under the gun so to speak with regard to weather and setting up for the last weeks of this season.

The following is in direct response to your letter emailed September 26, 2006 in particular the items:

**"Bond/Disturbed Area"**

How much area will be disturbed at any one time? We can permit a 5-acre area but bond for a smaller disturbance IF you commit to never have more than a certain acreage unreclaimed at any time.

**"Soil"**

Could you include a commitment to save processed fine material (sand) for use as soil in previously disturbed areas?

Our intention is to disturb only one acre at a time. Reclamation will be continuous as we move in win row fashion along one strip to the next. Our process entails the digging of a small pit, filling it with water. The soil from small pit will be dug with a large track hoe. The soil will be placed adjacent the dredging machine. Water from the small reservoir will be run through separating and cutting process and the systematically all excess non-gold bearing materials will be discharged off the rear of the dredge. As one area is completed, any soil or sand removed will be replaced with a bulldozer as the process continues.

We can therefore commit to one acre disturbance at a time. Once again, as soil is temporarily removed and discharged off of the dredge it will be pushed back into the immediately mined area after processing.

Please contact us if you have further questions. You have been most helpful.

Larry Neff

